

HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND  
Minutes of the Board of Trustees Meeting  
Wednesday, January 9, 2002

TRUSTEES PRESENT: Mr. Sam A. Callejo  
Ms. Audrey Hidano  
Ms. Joan Lewis  
Ms. Kathryn S. Matayoshi  
Mr. Neal Miyahira  
Mr. Willard Miyake  
Mr. Clifford T. Uwaine  
Mr. James Williams  
Mr. James H. Yasuda  
Mr. Davis K. Yogi

ATTORNEY: Mr. Brian Aburano, Deputy Attorney General

BUDGET AND FINANCE PROJECT TEAM: Ms. Wanda Kimura  
Mr. Tracy Ban  
Ms. Lynette Fukunaga  
Mr. Gary Sanehira  
Ms. Karen Tom  
Mr. Tom Morrison, The Segal Company  
Ms. Shirley Kawamoto

OTHERS PRESENT: Mr. John Jacobs – HMSA  
Mr. Michael Moss – HMSA  
Ms. Wende Murakami – HMSA  
Mr. Wendell Oda – HMSA  
Mr. Rod Tam - HMSA  
Mr. Norbert Mendes – HDS  
Ms. Monica Engle – Vision Service Plan  
Ms. Karen Momono – Royal State  
Ms. Lilia Yu-Lum – Royal State National  
Mr. Melvin Higa – MBAH  
Mr. Allan Tanigawa – County of Kauai  
Mr. Ken Taira – County of Maui  
Ms. Jennifer Tobin – C&C of Honolulu, Human Resources  
Mr. Chris Odo – City  
Mr. Tracy Chang – HGEA  
Mr. Wayne Yamasaki – HGEA  
Ms. Gertrude Nitta, HGEA-Retiree  
Ms. Georgiana Alvaro - HSTA  
Ms. Susan Bitler – HSTA  
Ms. Karen Ginoza – HSTA

Mr. Chris Lewis  
Mr. Maurice Morita - HSTA  
Mr. George Butterfield – HSTA-Retiree  
Ms. Ruth Kim – HSTA-Retiree  
Ms. Jean Aoki – HSRTA  
Ms. Mary Alice Clark – HSRTA

Mr. Stanley Shiraki, Acting Deputy Director of Finance opened meeting and asked Mr. Callejo, first on the listing of trustees, to guide the trustees through the agenda until Item VI, Election of Interim Chair and Vice Chair, is reached.

Motion was by made by Mr. Williams and seconded by Mr. Miyake to appoint Sam Callejo as chairperson pro tem until adjournment of January 9, 2002. The motion was adopted by a unanimous vote of all the employee-beneficiary trustees and the public employer trustees.

I. CALL TO ORDER: 1:40 p.m. by Mr. Sam Callejo in the Department of Budget and Finance, Conference Room 303, No. 1 Capitol District Building, 250 South Hotel Street, Honolulu, Hawaii, on Wednesday, January 9, 2002.

All trustees introduced themselves and the Budget and Finance Project Team (the “project team”) staff was recognized by Chair.

II. SWEARING IN: Trustees sworn in by Judge James Burns, Chief [Justice] Judge of Intermediate Court of Appeals.

III. General Briefing by the State Ethics Commission and Department of the Attorney General on Sunshine Law, Ethics, and Other Relevant Board/Commission Matters

A. A briefing on the State Ethics Code and the Ethics Commission was conducted by Mr. Daniel Mollway, Executive Director, State Ethics Commission. The Ethics Guide for Elected Officials, Employees, Members of Boards and Commissions was handed out to the board members.

Mr. Mollway stated that he would try to explain the requirements of the State Ethics Code to the board so that they would recognize when there was or might be a problem. He stated that the Ethics Commission’s staff attorneys are available to provide advice on ethics issues. He noted that such advice is confidential and binding on the Ethics Commission. Mr. Mollway noted that some boards even called the Ethics Commission’s staff attorneys for advice when they were in the middle of a meeting.

1 Mr. Mollway covered the conflict of interest provisions and fair treatment  
2 provisions of the State Ethics Code. He also discussed the State Code of Ethics'  
3 financial disclosure requirements. In connection with this, the board members  
4 were informed of the requirement that as new board members they must file  
5 financial disclosure statements with the Ethics Commission. Finally,  
6 Mr. Mollway briefly discussed the post-employment restrictions of the State  
7 Ethics Code.

8  
9 The Ethics Commission has two functions, to provide advice and to enforce the  
10 law. If the board has any questions, Mr. Mollway said they should contact the  
11 Ethics Commission. However, in response to questions by certain board  
12 members, he indicated that questions or concerns that did not come under the  
13 jurisdiction of the Ethics Commission would be referred to the Department of the  
14 Attorney General.

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16 3:05 p.m. – Chair called ten-minute break.

17 3:15 p.m. – Chair called meeting back to order.

- 18  
19 B. A briefing on the Sunshine Law and certain matters pertaining to the liability of  
20 board and commission members was conducted by Mr. Brian Aburano, Deputy  
21 Attorney General, Department of the Attorney General.

22  
23 Mr. Aburano covered the handout provided on the Sunshine Law and procedures  
24 for conducting State Board and Commission meetings. He described what kinds  
25 of meetings or interactions were required to be open to the public under the  
26 Sunshine Law and what was required for a meeting to be open to the public. He  
27 also briefed the board on other requirements of the Sunshine Law regarding the  
28 timing and content of notice of public meetings, agendas, and board minutes.

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30 Mr. Aburano also covered a handout provided to the board members on Some  
31 Basics on Liability of Board and Commission Members. He discussed when  
32 board members were and weren't immune from state and federal claims under  
33 "qualified immunity." He also discussed when the Attorney General would and  
34 would not provide a defense to board members under Section 26.35.5, HRS.  
35 Finally, he briefed the board on when board members would and would not be  
36 indemnified for claims brought against them. In this last respect, he mentioned  
37 that board members would not be indemnified for acts or omissions outside of  
38 their official capacity, for acts or omissions with a malicious or improper purpose,  
39 for punitive or exemplary damages, when they failed to cooperate in their own  
40 defense, when the liability asserted was fully covered by a policy of insurance  
41 purchased by the State, and when they voluntarily retained their own counsel  
42 despite the availability of counsel provided by the Attorney General.

1 On being questioned whether he would be the deputy attorney general assigned to  
2 the Employer-Union Health Benefits Trust Fund, Mr. Aburano said he would  
3 confirm this with the appropriate persons at the Department of the Attorney  
4 General.

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6 With respect to their responsibilities and potential liabilities in an individual  
7 capacity under the law, each of the employee-beneficiary members disclosed to  
8 the board that they have retained Mr. Charles Khim as their legal counsel. It was  
9 mentioned that this retention was at their own expense and not at the expense of  
10 the EUTF.

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12 IV. Overview Briefing by Project Team on What Needs to be Accomplished and  
13 Timeframes (handout provided)

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15 On behalf of the project team, Mr. Tom Morrison of The Segal Company briefed the  
16 board of the timelines under which it must operate in order to implement Act 88,  
17 SLH 2001 on July 1, 2003.

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19 V. Briefing on Recommended Interim Working Committees (handout provided)

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21 Mr. Morrison then presented recommendations on the use of working committees as an  
22 aid to the board to accomplish what needs to be done by July 1, 2003.

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24 An issue was raised as to the Fund's budget and staffing requirements. The project  
25 team was requested to develop a budget for the period prior to July 1, 2003. It was  
26 mentioned that if funds beyond the \$300,000 currently appropriated for the EUTF are  
27 required, the board would need to go before the Legislature to request additional  
28 monies.

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30 VI. Items for Discussion and Action  
31 Unfinished Business will be addressed at the January 10, 2002 meeting of the board.

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33 VII. ADJOURNMENT

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35 A motion was made by Ms. Matayoshi and seconded by Mr. Miyake to appoint  
36 Sam Callejo as chairperson pro tem for the January 10, 2002 meeting. The motion was  
37 adopted unanimously by all the employee-beneficiary trustees and public employer  
38 trustees.

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40 Motion was made to adjourn by Mr. Yogi, seconded by Mr. Miyahira, and adopted  
41 unanimously by all the employee-beneficiary trustees and the public employer trustees.

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43 The meeting was adjourned at 4:25 p.m.  
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Respectfully submitted,

/s/ James Williams

James Williams, Secretary-Treasurer

APPROVED AS CORRECTED  
on January 24, 2002.

HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND

Board of Trustees Meeting

January 9, 2002 Minutes

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- 1 Documents distributed:
- 2       1. State Ethics Commission Briefing Handout
- 3       2. October 2, 2001 memorandum on The Sunshine Law and Procedures for
- 4             Conducting State Board and Commission Meetings
- 5       3. Some Basics on Liability of Board and Commission Members
- 6       4. What Needs To Be Accomplished – Briefing Document (7 pages)
- 7       5. Project Task List and Timetable Organized by Committee – Briefing Document
- 8             (1 page)
- 9       6. Interim Board Operating Procedures – Proposed Procedures
- 10      7. Calendar (January 2002 – June 2002)